23rd August 1955] [Dr. V. K. John]

to persons who can invest money and build houses so that more houses can be built. It is the control that prevents them from building a large number of houses."

* THE HON. SRI R. SHANMUGA RAJESWARA SETHUPATHI :—" Sir, I have nothing further to add by way of any proposition to the hon. Member's suggestion. The Government do not want to have control beyond the time that is necessary. So long as the exigencies exist only, we want to have control. The Government themselves have got a programme now, as I have indicated here while the hon. Member was not here, of constructing houses for various sections of officers and low-paid Government servants. When that programme is executed during the Second Five-Year Plan, the position may get eased a bit. At such a time, the Government will not fail to bring in a decontrol measure if that is justified. I therefore move that the Bill be passed."

MR. CHAIRMAN :—" The question is—

'That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1955 (L.A. Bill No. 21 of 1955) as passed by the Assembly be passed.'"

The motion was carried and the Bill was passed.

SRI MOHAMED RAZA KHAN :—" I request the Chairman to kindly adjourn the House. We have already sat for two and a half hours."

MR CHAIRMAN :—" I now call upon the Hon. the Minister for Local Administration to move his Bill."

(3) THE MADRAS DISTRICT MUNICIPALITIES (AMENDMENT) BILL [a], 1955 (L.A. BILL NO. 19 OF 1955).

* THE HON. SRI S. S. RAMASWAMI PADAYATCHI :—" Mr. Chairman, Sir, I move—

'That the Madras District Municipalities (Amendment) Bill, 1955, (L.A. Bill No. 19 of 1955), as passed by the Assembly, be taken into consideration.'

" Under the Madras District Municipalities Act, 1920, as it stands, Municipal Councils may levy property tax on agricultural lands either (1) on the basis of their letting value [under Section 81 (2) read with Section 82 (2) of the Madras District Municipalities Act] or (2) on the basis of land revenue under Section 81 (4). The levy of property tax on the basis of letting value results in an arbitrary assessment and is not as satisfactory as assessment on the basis of land revenue. This levy of the tax on the basis of land revenue will also be in line with the basis of assessment of the tax on such land in non-municipal areas. But there is a difficulty. The land revenue payable in respect of land is usually much lower

[a] Printed as Appendix II on pages 409-410 infra.

[Sri S. S. Ramaswami Padayatchi] [23rd August 1955

than its annual letting value in Municipalities and so the rate of tax levied will have to be somewhat higher than the rate usually adopted for non-agricultural land or buildings based on letting value. But the adoption of different rates will be in conflict with the provisions of Section 84. It is therefore proposed to amend the Madras District Municipalities Act so as—

(1) to provide for the levy by Municipal Councils of property tax on agricultural lands in Municipalities on the basis of land revenue *only* and at a rate higher than that levied on buildings and other lands;

(2) to take power to prescribe by rules the maximum rate at which the property tax may be levied on agricultural lands in Municipalities.

The Bill gives effect to these proposals. I accordingly move that the Bill be taken into consideration.

MR. CHAIRMAN :—" Motion moved—

'That the Madras District Municipalities (Amendment) Bill, 1955 (L.A. Bill No. 19 of 1955), as passed by the Assembly, be taken into consideration.' "

SRI K. BALASUBRAMANYA AYYAR :—" Mr. Chairman, Sir, it is very difficult to understand the whole thing. The District Municipalities Act refers to Section 79 of the Local Boards Act. There are two or three categories under which this property tax is levied. One is buildings. The next is land appurtenant to or adjacent to buildings. The next one is land not exclusively for agricultural purposes. The last one is land exclusively for agricultural purposes. These are the things in municipal areas. A number of taxes are levied in municipalities, for example, lighting tax, property tax, etc. All these taxes are levied on lands exclusively used for agricultural purposes. The Government now want to argue that agricultural lands in municipal areas should bear land cess and education cess on a certain proportion. The tax paid by the land used for agricultural purposes in a municipal area may be less. Therefore the Government want to put it at a higher rate. I fail to see how this is just or equitable. The land in villages used for cultivation purposes may not pay so many taxes which owners of lands in municipal areas pay. There is no necessity to equate the taxes on lands in municipal areas with those in the villages. There is no necessity to equate the proportion between the lands in municipal areas and in villages. The Government want that owners of lands in municipal areas should also pay land cess and education cess. It is for that purpose that the Government want now to use the provision in Section 79 of the Local Boards Act, which says that the annual value of a land will be fixed according to the land revenue that is paid. The rate of any class of property tax on land when levied on the annual value may be lower than the rate of tax on buildings. But I think that rate shall be uniform throughout

5-30 p.m.

the municipal area. In these two classes there shall be uniform rates. But Section 84 of the Act makes a fundamental principle that the rate of property tax on the annual value of land may be lower than the rate of the same class of land used exclusively for agricultural purposes. The proportion of the tax that is fixed on the basis of land revenue may be lower. The Government in order to make the land tax much higher than even the tax on buildings have brought forward this Bill. The Government want to introduce a proviso that the proportion shall not exceed the maximum, if any, fixed by the State Government. It is stated in the statement of Objects and Reasons : 'But the land revenue payable in respect of land is usually much lower than its annual value and if the tax levied is to be approximately equal to the tax levied on similar lands in non-municipal areas, the percentage of tax will be higher than the percentage adopted for non-agricultural lands or buildings. Adoption of different rates will however be in conflict with the provisions of Section 84. It is therefore proposed to amend the Act.' They argue that it is necessary to have the land tax levied on lands in municipal areas in the same proportion as land cess and education cess levied on lands used for agricultural purposes in villages. That proportion will be higher than the building tax as Section 84 says. Therefore the Government want to take powers for the purpose of fixing the land tax to be levied on lands in municipal areas. They have stated it very clearly here, Sir. It is stated in the Statement of Objects and Reasons,' . . . .If the tax levied is to be approximately equal to the tax levied on similar lands in municipal areas, the percentage of tax will be higher than the percentage adopted for non-agricultural lands or buildings.' Therefore the Government want to add a proviso to Section 81. I question the equitableness of adopting a standard by which lands used exclusively for agricultural purposes in municipal areas will have to pay even a higher proportion of tax than the tax on buildings. That is not right. In the proposed Section 2 it is stated,—

'(a) The municipal council shall in the case of lands used exclusively for agricultural purposes, levy these taxes at such proportions as it may fix. . . .'

"Therefore, it is the bounden duty of the municipal council now to levy the taxes in the proportion fixed by section 79 of the Madras Local Boards Act. The Act says that so far as lands used exclusively for agricultural purposes are concerened, the annual value shall be the land revenue. The further point that the Government want to emphasise by introducing this amendment is that that the proposed tax may be higher than even the tax on building. Therefore they want to take special power by inserting a proviso, namely, 'the proportion shall not exceed the maximum, if any, fixed by the State Government.' I would say that the Government should not take that power to increase the tax higher than the one on buildings. The lands used exclusively for agricultural purposes in municipal areas pay not only this land tax but also other taxes and so they cannot be equated with the lands in villages."

* DR. V. K. JOHN :—" Sir, I am not satisfied that there is any necessity for this amendment. The reasons given in the statement of Objects and Reasons are not convincing at all. I think there are two objects. One is to tax more. It is only the other day it was stated in the papers that the Ministers of this Government pleaded at the Centre that this Madras State was the most highly taxed State in India. The Government want to add a little more tax on people. The second object is to get control over taxes on lands in municipal areas. A proviso is sought to be added giving power to Government to fix the maximum. Why that power is taken by Government, I do not see at all. I do not see there is any need to introduce this Amendment Bill. We are having too many amendments to every Act. The one thing that we should have in mind is that these Acts are amended so many times. Is there any Act on the Statute Book which has not been amended by this Government many times? Even lawyers do not know what the provisions of an Act are because it is amended many times. We must not so easily amend the Acts. We must amend them only for absolutely good reasons. I do not think this amendment is called for. I have been wanting to ask for information whether municipal councils have been consulted in the matter. After all we are having a democratic Government. I do not see anything in the Statement of Objects and Reasons to show that municipalities have been consulted and that they welcome this amendment. I think it is the brain wave of somebody who read the Act and thought ' Why not we collect some more money from the people? Why not the Government have some more control? '"

5.40 p.m. * SRI G. KRISHNAMOORTHI :—" I shoud like to have enlightenment from the Hon. Minister piloting the Bill on a few points. If this Bill is possed, I fear there is the possibility of the tax in respect of agricultural lands used exclusively for agricultural purposes within municipal limits being enhanced. If that is to be enhanced, will it be within the limits of the building property tax that is being levied by the municipalty or will it be even over and above the limit of the taxes that are being levied by the municipality in respect of buildings? So far as my knowledge goes, in respect of agricultural lands in rural areas outside municipal limits the tax works at about 10 per cent of the rental value but house tax can be levied up to a percentage of 27 within municipal limits. If really the lands used exclusively for agricultural purposes are to pay 27 per cent of the rental value or even more, naturally there will be a tendency on the part of these landlords to convert them into house-sites. Some years before there was a ban on conversion of wet lands into house-sites. Now it has been removed and already wet lands are being converted into house-sites. If this Bill is to become an Act, naturally the tendency of these landlords will be to convert the lands used exclusively for

23rd August 1955] [Sri G. Krishnamoorthi]

agricultural purposes within municipal limits into house-sites. Then, are we doing the right thing? I should like to have enlightenment from the Hon. Minister."

* Sri T. PURUSHOTHAM :—" Mr. Chairman, Sir, I should like to point out to the House that this is not a piece of additional taxation measure. I may claim to know something of the municipal rules because hon. members may be aware that I have been a Municipal Commissioner myself. I should like to point out that at present there is no uniform procedure followed in the adoption of the rate of assessment on agricultural lands in municipal areas. So, what the present Bill purports to do is to fix a uniform method of assessment on all agricultural lands in municipal areas and bring such assessment in line with the assessment of such lands under the Madras District Boards Act. That is all what this Bill purports to do and this is a fair measure. I therefore support this Bill and commend it for the acceptance of the House."

* The Hon. Sri S. S. RAMASWAMI PADAYATCHI :—" கனம் சேர்மன் அவர்களே, இந்த திருத்த மசோதா கொண்டுவந்த நோக்கத்தை நான் இப்பொழுது விளக்குகிறேன். தற்பொழுது நகரசபைகளில் மக்கள் விவசாய நிலங்களுக்கு அதிகமான வரியைக் கொடுக்கிறார்கள். இப்பொழுது இருக்கின்ற மதராஸ் ஜில்லா முனிசிபாலிடிகளின் சட்டத்தின் 81 (2) ஷரத்தின் கீழ் நகரசபைகள் வீடுகளுக்கும் நிலங்களுக்கும் வரிகளை விதிக்கலாமென்று கூறப்பட்டிருக்கிறது. வருஷாந்திர வருமானத்தின் அடிப்படையில் வரியை விதிக்கலாமென்று கண்டிருக்கிறது. செக்ஷன் 81(4)-ன் கீழ் விவசாய நிலங்களுக்கு நிலத்தீர்வையின்பேரில் வரி விதிக்கலாமென்று சொல்லப்பட்டிருக்கிறது. ஆகவே நகர சபைகள் பலமுறைகளை கையாள்கின்றன. சில நகரசபைகள் செக்ஷன் 81 (2)-ன் கீழ் வருஷாந்திர வருமானத்தின் அடிப்படையில் வரியை விதிக்கின்றன. மற்றும் சில நகர சபைகள் விவசாய நிலங்களுக்கும் அதே அடிப்படையில் வரி விதிக்கின்றார்கள். சில நகர சபைகளுக்கு வெளியிலுள்ள நிலங்களுக்கு இப்போது land cess ரூபாய்க்கு 2 அணாவாகவும் education cess ரூபாய்க்கு 3 அணாவாகவும், ஆக ரூபாய்க்கு 5 அணாவாக இருக்கிறது. அதே சமயத்தில் நகர சபை எல்லைக்குள்ளிருக்கும் நிலங்களுக்கு செக்ஷன் 81 (2)-ன் கீழ் அதிகமான வரியைக் கொடுக்கவேண்டியிருக்கிறது. உதாரணமாக நகர சபைக்குள்ளிருக்கும் ஒரு ஏகரா நிலத்தின் வருமானம் 100 ரூபாயாக இருந்தால் அதன் அடிப்படையில் நிர்ணயிக்கப்பட்ட விகிதாசாரப்படி அதாவது 10% அல்லது 20% விகிதாசாரப்படி அல்லது 10 ரூபாய், 20 ரூபாய் அந்த நிலத்திக்கு தீர்வையாகக் கொடுக்கப்படுகிறது. ஆகவே, இந்த மசோதா நிலத்தின்மீது விதிக்கப்படும் வரியை அதிகப்படுத்துவதன் நோக்கத்தோடு கொண்டுவரப்படவில்லை என்பதைத் தெரிவித்துக்கொள்ளுகிறேன். விவசாயிகளுக்கு உதவுவதற்காகவே இந்தத் திருத்த மசோதா கொண்டுவரப்பட்டிருக்கிறதே ஒழிய வேறொன்றுமில்லை.

" அதே சமயத்தில், உயர்ந்தபட்ச அளவை நிர்ணயிப்பதற்கு அரசாங்கம் அதிகாரம் எடுத்துக்கொண்டிருக்கிறது. Waste land-களாய் இருந்தால் அதற்கு வரி விகிதாசாரம் அதிகமாக இருக்கக்கூடாது. வருமானம் வரக்கூடிய நிலமாயிருந்தால் அதிகமாக இருக்கவேண்டும். நிலத்தீர்வையின் அடிப்படையில் வரிவிகிதாசாரத்தைக் கணக்கிடுவதாயிருந்தால், கட்டிடங்களின்மீது விதிக்கும் வரி விகிதாசாரத்தைவிட அதிகமான வரி விகிதாசாரப்படிதான் வரி விதிக்கவேண்டும். உதாரணமாக ஒரு ஏகராவுக்கு land revenue 10 ரூபாயாக இருந்தால், கட்டிடங்களுக்கு விதிக்கும் வரி

[Sri S. S. Ramaswami Padayatchi] [23rd August 1955

விகிதாசாரத்தின்படி விதிக்கமுடியாது. கட்டிடங்களுக்கு 10% அல்லது 20% விதித்தால், அதே விகிதாசாரத்தை விவசாய நிலங்களுக்கும் அனுசரித்தால், ஒரு ரூபாய் அல்லது 2 ரூபாய்தான் நிலத்துக்கு வரி கிடைக்கும். இது ரொம்ப குறைவாக இருக்குமாதலால்தான் கட்டிடங்களின்மீது விதிக்கும் வரி விகிதாசாரத்தையே விவசாய நிலங்களுக்கும் கையாள முடியாது. ஆகையால்தான், நகர சபைகள் கட்டிடங்களின் மீது விதிக்கும் வரி விகிதாசாரத்தைவிட விவசாய நிலங்களின்மீது நிலத் தீர்வையின் அடிப்படையில் விதிக்கும் வரி விகிதாசாரம்கூட இருக்கவேண்டும். 50% போட்டாலும்கூட 5 ரூபாய், 10 ரூபாய்தான் கிடைக்கும். சில அங்கத்தினர்கள் இந்த மசோதாவைப்பற்றி தவறுதலாக அபிப்பிராயம் தெரிவித்தார்கள். அரசாங்கத்தினுடைய உத்தேசம் வரியைக் குறைக்கவேண்டுமென்பதே தவிர, அதிகப்படுத்தவேண்டுமென்பதில்லை. சில நகர சபைகள் கட்சி மனப்பான்மை காரணமாகவோ அல்லது வேறு மனோபாவத்துடனோ அதிகமான வரியைப்போடலாம். அதற்காகவே தான் உயர்ந்த பட்ச அளவை நிர்ணயிப்பதற்கு இந்த மசோதாவின் கீழ் புதிதாக அரசாங்கம் அதிகாரம்கூட எடுத்துக்கொள்ள கோருகிறார்கள். நிலத்தின் தரத்தைப்பொறுத்தும் வரி விதிக்கவேண்டும். உதாரணமாக திருச்சி ஜில்லாவை எடுத்துக்கொண்டால் அங்கே நிலத்தின் தரம் உயர்ந்ததாக இருக்கும். ஆனால் தாராபுரத்தை எடுத்துக்கொண்டால், வறண்டு போன புஞ்சை நிலங்கள் அங்கே இருக்கின்றன. ஆதலால் மாகாண ரீதியில் இந்த வரி விகிதாசாரத்தை நிர்ணயிக்கமுடியாது. நிலத்தின் தரத்தைப் பொறுத்து வரி விகிதாசாரம் அமையவேண்டும். திருச்சிக்கு அதிகமான விகிதாசாரம் நிர்ணயிக்கலாம். ஆனால் தாராபுரத்துக்கு அதைவிட விகிதாசாரம் குறைவாக இருக்கவேண்டும். பொதுவாக, அந்தந்த நகரசபையே தேவையான வரி விகிதாசாரத்தை நிர்ணயித்துக்கொள்ளும். ஆனால் உயர்ந்த பட்ச அளவை நிர்ணயிப்பதற்கு அரசாங்கம் அதிகாரம் எடுத்துக்கொண்டிருக்கிறது. இப்பொழுதுகூட முனிசிபாலிடிகள் எவ்வளவு உயர்ந்தபட்ச அளவு வரி விதிக்கலாம் என்று அரசாங்கம் நிர்ணயிப்பதற்கு சட்டமிருக்கிறது. ஆகவே, விவசாய நிலங்களுக்கு இவ்வளவுதான் உயர்ந்தபட்ச அளவு வரி விதிக்கலாமென்று நிர்ணயிக்கும் அதிகாரத்தை அரசாங்கம் எடுத்துக்கொண்டிருக்கிறார்கள். வரியைக் குறைப்பதற்குத்தான் இந்தத் திருத்தமசோதா கொண்டுவரப்படுகிறதே தவிர, அதிகப்படுத்துவதற்கில்லை. கட்டிடங்களுக்கு விதிக்கப்படும் வரி விகிதாசாரத்தைவிட அதிகமாக இருக்கவேண்டுமென்பதற்குக் காரணம், **land revenue** அநேகமாக குறைவாக இருக்கும். ஆகவே அதே வரி விகிதாசாரத்தை விவசாய நிலங்களுக்கு அனுசரித்தால் வரி ரொம்ப குறைவாக இருக்கும். அதனால் எவ்வளவு உயர்ந்தபட்ச அளவு இருக்கவேண்டுமென்பதை நிர்ணயிப்பதற்கு சர்க்கார் அதிகாரம் கோருகிறார்கள். வேறொன்றுமில்லை.

" நண்பர்கள் என்னுடைய விளக்கத்தைக் கேட்டு திருப்தி அடைந்திருப்பார்களென்று நம்புகிறேன். ஆகையால் இந்த மசோதாவை உடனே ஆலோசனைக்கு எடுத்துக்கொள்ளவேண்டுமென்று கேட்டுக்கொள்ளுகிறேன்."

MR. CHAIRMAN :—" The question is—

'That the Madras District Municipalities (Amendment) Bill, 1955 (L.A. Bill No. 19 of 1955) as passed by the Assemby be taken into consideration.' "

The motion was carried and the Bill was taken into consideration.

Clauses 2, 3 and 1 were put and carried.

The Preamble was put and carried.

23rd August 1955]

* THE HON. SRI S. S. RAMASWAMI PADAYATCHI :—" Sir, I move—

'*That the Madras District Municipalities (Amendment) Bill, 1955 (L.A. Bill No. 19 of 1955), as passed by the Assembly, be passed.*' "

MR. CHAIRMAN :—" The question is—

' That the Madras District Municipalities (Amendment) Bill, 1955 (L.A. Bill No. 19 of 1955), as passed by the Assembly, be passed.' "

The motion was carried and the Bill was passed.

(4) THE MADRAS CITY IMPROVEMENT TRUST (AMENDMENT)[a] BILL, 1955 (L.A. BILL NO. 20 OF 1955).

* THE HON. SRI A. B. SHETTY :—" Sir, I move—

'*That the Madras City Improvement Trust (Amendment) Bill, 1955 (L.A. Bill No. 20 of 1955), as passed by the Assembly, be taken into consideration.*' 5-50 p.m.

The Madras City Improvement Trust was first constituted under the City Improvement Trust Act, 1945. At that time it was considered necessary that Government and the Corporation of Madras should each contribute to the Trust a sum not less than Rs. 2½ lakhs every year. The Trust had then no resources of its own and had to depend upon such contribution and loans, etc., from Government for the execution of its schemes as well as for meeting its establishment charges. Necessary provision was therefore made in the Act for the payment of the contribution by the Government and the Corporation of Madras annually. The Trust is now deriving substantial income by way of rent on buildings confructed by it and the income derived by the sale and lease of plots of land owned by it. Recently the question whether the Trust should continue to exist or not was examined by Government and it was decided that the Trust should continue to function but that the annual contribution by Government and the Corporation of Madras should be withdrawn from the year 1955–56, and that the jurisdiction of the Trust should be limited to loans and grants for individual schemes based on their merits. Hence the need for amending the original Act wherein it is stipulated that both the Government and the Corporation of Madras shall pay annually a contribution of Rs. 2½ lakhs to the Trust. That is why we have brought forward this Bill seeking to omit section 91 of the previous Act, which stipulated that the Government and the Corporation of Madras should each contribute to the Trust annually a sum of Rs. 2½ lakhs. I have explained the position and I do accordingly move that the Bill be taken into consideration."

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[a] Printed as Appendix III on page 410 infra.